channels account for bulk of the inward remittances to India, two schemes, *viz.*, Money Transfer Service Scheme (MTSS), and Rupee Drawing Arrangements (RDA), respectively, providing benefits of easier and speedier operation have assumed significance in expanding the outreach of remittance services to remote locations in the country. The 'Foreign Exchange Department' of the RBI is engaged, on an ongoing basis, in reviewing and simplifying procedures and rules of foreign exchange remittances for improving facilities available to non-resident Indians.

**Issuance of oil bonds**

2176. SHRI LALIT SURI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there is a proposal under Government's consideration to issue oil bonds to make up for the under recoveries of oil companies;

(b) if so, the total amount for which the bonds are proposed to be issued, the duration of the bonds and interest payable thereon; and

(c) by when a final decision in the matter is likely to be taken and by when the bonds are likely to be marketed?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir.

(b) and (c) The Ministry of Finance have made provision to issue bonds of the face value of Rs. 5,750 crore. This has been included in the second batch of Supplementary Demands for Grants 2005-06. The modalities regarding the balance amount are being worked out.

**Evasion of taxes by MNCs**

†2177. PROF. ALKA BALRAM KSHATRYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as per the survey conducted by Department of Income Tax, some multinational companies have evaded the tax amounting to more than twenty crore rupees in connivance with Government officials;

† Original notice of the question was received in Hindi.

(b) if so, the details thereof; and

(c) the steps taken/proposed to be taken for recovery of this amount?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No instance of tax evasion amounting more than Rs. 20 crore by multinational companies with the connivance of Government officials has come to the notice of the Income Tax Department.

(b) and (c) Not applicable, in view of reply to part (a) above.

**Service tax on inhouse catering**

2178. SHRI RAJNATH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether companies who are providing inhouse catering and food to their staff within the company premises/offices through a catering contractor are being charged both the service tax and VAT;

(b) whether Government are aware that this tax component works out to be around 22 per cent in States like Haryana making it extremely difficult for companies to provide food to their staff; and

(c) whether Government propose to exempt such inhouse catering facilities from these plethora of taxes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) As per provisions of clause 29A of Article 366 of the Constitution of India, the definition of 'tax on the sale of purchase of goods' includes 'a tax on the supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (whether or not intoxicating), where such supply or service, is for cash deferred payment or other valuable consideration'. Thus, the supplies by catering contractor are liable to sales tax/State VAT, as long as these constitute sale in terms of definition mentioned above. The Empowered Committee of State Finance Ministers (EC) has decided that the rate of tax under VAT on such supplies shall be 12.5%. Accordingly, most of the States are levying 12.5% VAT, although some States have also introduced